

## MINNESOTA LOSES BIG MERGER SUIT

Judge Lochren Decides  
the Northern Securities  
Company Has Not  
Violated Law.

NO RESTRAINT OF  
TRADE, HE DECLARES

Consolidation of Great North-  
ern and Northern Pacific  
Railroads Entirely Legal.

REFUSES ALL INJUNCTIONS

Stocks of Company and Merged  
Roads Advance Sharply on Re-  
ceipt of News of Decision.

ST. PAUL, Saturday.  
JUDGE WILLIAM LOCHREN, in the  
United States District Court, today  
decided the case of the State of Min-  
nesota vs. the Northern Securities  
Company in favor of the Northern Securities  
Company.

Governor Van Sant announced, after he  
had read the decision, that the State would  
appeal to a higher court at once.

The suit of the State was directed against  
the Northern Securities Company, the Great  
Northern Railway Company and James J.  
Hill, as president of the Northern Securities  
Company and individually. The court sus-  
tained the contentions of the defendants and  
dismissed the bill of complaint of the State.

Judge Lochren finds that the Northern  
Securities Company has not violated the  
State laws forbidding the consolidation of  
parallel and competing lines of railway  
through its ownership of the stock of the  
Great Northern and Northern Pacific rail-  
roads. He refuses the injunctions asked by  
the State of Minnesota to restrain the Se-  
curities company from voting the stock of  
the two railroad companies or either of them.

### Federal Decision Not Affected.

This decision affects the results of the  
federal government's victory in the Circuit  
Court in no way whatever. The federal suit  
involved the same defendants and the same  
general state of facts, but was based on  
totally different points.

The federal suit, in which the Securities  
Company was beaten, was prosecution for  
violation of the Sherman Anti-Trust law,  
passed by the Federal Congress.

Under conclusions of law, the court says,  
after reviewing a number of Supreme Court  
decisions on the Sherman Anti-Trust act,  
the proper construction of the Sherman  
Anti-Trust act, so far as it relates to rail-  
road transportation as deduced from these  
decisions of the Supreme Court, appears to  
be this:

The act applies to railroads and all con-  
tracts made between railroad companies for  
the purpose, and having the effect, of pre-  
venting competition by fixing rates, or em-  
powering persons to fix them, and agreeing  
to conform to them when fixed, are in re-  
straint of trade and within the provisions of  
the statute, whether the rates so fixed are  
reasonable or unreasonable.

That contracts between diverse manufac-  
turers of a commodity respecting the sales of  
that commodity to be delivered by them out-  
side the State, having the direct effect of  
stifling competition and raising the cost of  
the article to the purchaser, are also in re-  
straint of trade and within the statute.

That contracts which do not directly and  
necessarily affect transportation or rates  
therefor are not in restraint of trade or with-  
in the statute, even though they may remote-  
ly and directly appear to have some prob-  
able effect in that direction.

### Holding Company Merely Investor.

The State anti-trust act must have the  
same construction in respect to traffic on  
railroads within the State. Neither the  
Great Northern Company nor the Northern  
Pacific Company were parties to, or in  
their corporate capacity had anything to  
do with the formation of the Northern Se-  
curities Company, nor any of the contracts  
or proceedings complained of in the bill. The  
Northern Securities Company is merely an  
investor in and owner of a majority of the  
stock of each of these two railroad com-  
panies. It has done no act and made no con-  
tract in restraint of trade or commerce.

The action of the defendant, Hill, in pro-  
moting the formation of the Northern Se-  
curities Company, under the circumstances  
and for the purposes which the evidence dis-  
closes, and investing in its stocks by the sale  
to it of his stock in the two railroad com-  
panies, involved no act or contract in re-  
straint of trade or commerce or affecting  
transportation or rates more than any ordi-  
nary transfer of railroad stock from one per-  
son to another.

"That my judgment, after most careful  
consideration of the facts and the law ap-  
plicable thereto, as construed by the highest  
court, leads me to the conclusion that none  
of the defendants have violated the Min-  
nesota anti-trust act, a conclusion apparently  
contrary to that reached by the eminent  
judges who, in this court, recently decided  
the case of the United States vs. the North-  
ern Securities Company, and who will, doubt-  
less, in another court review this case upon  
appeal, and has necessarily caused hesitation  
and careful examination. But the rights of  
litigants and my own sense of duty require  
that my deliberate judgment, guided by my  
understanding of authoritative expositions of  
the law, be given in all causes tried before me.

### Stock Jumps Four Points, Which Were Lost Before the Close.

Aside from a four point jump in Northern  
Securities on the curb, which was lost before  
the market closed, the Northern Securities  
decision had no effect upon the stock market  
yesterday. The important question hangs  
upon the decision of the United States Su-  
preme Court, in the interpretation of Wall  
street, and little attention was given to the  
decision of the Minnesota court.

One of the bankers interested in the  
Northern Securities Company said, in discus-  
sion of the case:

"The only advantage I can see in this de-  
cision is that another stone will be removed  
from our path if we win the government case  
on appeal."

On the curb Northern Securities opened at  
21½, 1½ points above Friday's closing, and  
on sales of 2,200 was rushed up to 23½. There  
was then a drop between sales of 1½ points.  
The stock closed at 22.



"LOOK OUT, MR. PRESIDENT!"

## NEWPORT HORSES IN AUTOMOBILE SCARE

Fifty Puffing Machines Cause  
a Panic Near the Fash-  
ionable Casino.

### BISHOP CLARK IN THE JAM

He and Mrs. Henry S. Redmond  
Thrown from Carriages and  
Shaken Up.

[SPECIAL DESPATCH TO THE HERALD.]

NEWPORT, R. I., Saturday.—Nearly fifty  
puffing, snorting automobiles raised pan-  
demonium among the horses in front of the Cas-  
sino this morning, and in an hour at about  
noon—there were three stirring accidents,  
and two persons, the Right Rev. Thomas M.  
Clark, the venerable Bishop of Rhode Island,  
and Mrs. Henry S. Redmond, were thrown  
out of their carriages. Neither was hurt.

The escape of the Bishop is considered re-  
markable, as he is ninety-four years of age  
and so feeble that he is almost helpless.

The "reign of terror" began when a horse  
from a sales stable, maddened at the blowing  
off of steam of an automobile, ran up on  
the sidewalk and fell across the curbstone  
opposite the Casino. In an instant he raised  
himself and made a blind dash for the other  
side of the street, where, in trying to make  
clear ground on the broad sidewalk he  
hurling the automobile of Miss Constance  
Livermore, daughter of the Baroness Stel-  
liere, who, by good luck, had just left the  
machine. While society folk fled from their  
traps to the safety of the Casino, the horse  
wrecked the forward part of Miss Liver-  
more's automobile, and would have done  
much more damage had not Mr. M. M. Shea-  
maker jumped in and run the machine back.

Bishop Clark was thrown out of his car-  
riage, a light victoria, a short square below  
the Casino, at the head of Bowery street.  
His carriage had become jammed, and nat-  
urally the coachman hastened to extricate  
himself, but in so doing raised one side of  
the vehicle so high that the Bishop slid off  
to the hard macadam road. He struck on  
his side and shoulder, and, though he was  
badly shaken up, he got back into his seat  
in a few minutes and was driven hurriedly  
to his home.

Mrs. Redmond's accident was similar to  
that which befell Bishop Clark, but, being a  
much younger person, it amounted to little  
in her case. Her carriage was nearly over-  
turned in a jam, and she slid out. In a jiffy,  
though, she arose and joined her friends at  
the Casino.

## SYNDICATE BUYS WATERSHED LANDS

New Yorkers Said To Be Plan-  
ning Chain of Reservoirs  
in Connecticut.

GREENWICH, Conn., Saturday.—New York  
and Connecticut capitalists in a syndicate  
are buying large areas of farming land and  
water rights for the construction of a chain  
of reservoirs north of this place. Purchases  
have been made without resorting to con-  
demnation proceedings, which would have  
limited the sale of water to residents of this  
State. It is said that several Westchester  
towns, and possibly the upper section of New  
York city, will be supplied.

Most of the purchases have been made by  
N. A. Knapp, First Selectman of this vil-  
lage. Associated with him are said to be  
State Senator James Walsh and Edmund E.  
Converse, of the Bankers' Trust Company  
of New York. Mr. Converse is said to be the  
purchaser of one tract of six hundred acres  
from W. J. Smith, including a lake one mile  
long and half a mile wide.

Most of the farms purchased extend along  
the west bank of the Byram River.

## ALBERT B. HILTON SUES EXECUTORS

Disputes Accounts and Al-  
leges Unnecessary and Im-  
proper Expenditures.

### ESTATE IS AGAIN TANGLED

Litigation That Has Followed the  
Stewart Millions Is Likely  
To Be Renewed.

There promises to be a spirited controversy  
in reference to the settlement of the ac-  
counts of the executors and trustees of the  
estate of Henry Hilton, who died at his coun-  
try residence, Woodlawn Park, Saratoga, in  
August, 1899.

Mr. Hilton was involved in litigation for  
years prior to his death because of his con-  
nection with the estates of Mr. and Mrs. A.  
T. Stewart, from whom he inherited a por-  
tion of his fortune of more than \$5,000,000,  
and now the indications point to prolonged  
litigation over his own estate.

The controversy was started shortly after  
his death by his son, Henry G. Hilton, who  
contested the probate of his father's will be-  
cause the only provision made for him was  
\$25,000. That contest was compromised by  
the payment to this son, it is said, of about  
\$100,000. The estate is still involved in legal  
dispute brought by alleged heirs of A. T.  
Stewart, who are seeking a share in the dry  
goods merchant's fortune, which passed to  
Mr. Hilton.

Now Colonel Albert B. Hilton, a son, and  
his wife, Hattie K. Hilton, who have a large  
interest in the estate of Mr. Hilton, object  
to the accounts of Horace Russell and Ed-  
ward D. Harris, executors and trustees.  
They are represented by Colonel Franklin  
Bartlett, and it is believed that a referee  
will be appointed by Surrogate Fitzgerald to  
pass upon the subject, as it involves many  
items. The executors' accounts show that  
they received in securities, personal property  
and cash in bank an aggregate of \$1,405,550,  
and real estate of an estimated value of \$1-  
753,550, making a total of \$3,259,100. They have  
collected debts of the estate amounting to  
\$28,224, have paid debts to the extent of  
\$77,756 and have paid \$398,335 in legacies.

Colonel Albert B. Hilton and his wife  
make numerous objections to the accounts.  
They protest against the payment of more  
than \$20,000 for lawyers' fees in the litigation  
which the estate has been involved in  
since the death of Mr. Hilton, which includes  
the contest over his will and the controversy  
started by the so-called A. T. Stewart heirs.  
They say the payment of these sums has  
been unnecessary and excessive. Another  
item made the subject of attack is that of  
more than \$20,000 to Edward D. Harris since  
the death of Mr. Hilton. Mr. Harris has re-  
ceived this payment, it is said, as superin-  
tendent of the Stewart Building. He is one  
of the executors under the will, which pro-  
vides that his fees and commissions shall  
not exceed in any one year \$5,000, and it is  
declared that the various payments of salary  
to him are illegal and improper. Thousands  
of dollars, they aver, have been paid out to  
persons engaged in various capacities, where  
their services have been an unnecessary and  
useless expense to the estate.

Mr. Hilton was the owner of some very  
valuable jewelry at the time of his death,  
some of which was sold. A portion of it re-  
alized \$6,000, which, Colonel Hilton declares,  
was entirely inadequate.

### BRET HARTE HERO DIES.

James H. Chaffee, one of the heroes of  
Bret Harte's story "Tennessee's Pardner,"  
is dead in Oakland, Cal., at the age of  
eighty. For fifty-four years he and his old  
partner, Chamberlain, lived and mined and  
trusted each other implicitly. Chaffee lived  
for years at Second Garrote, forty miles  
from the Yosemite, and thousands of per-  
sons from many parts of the world visited  
him there. He was born at Worcester,  
Mass.

## COLONEL CLINE LEFT MANY MILLIONS

Executor of Eccentric Chic-  
agoan Is Constantly Coming  
Upon More Property.

### LED A VERY LONELY LIFE

Estate Is Divided by His Will  
Among Maryland and Cali-  
fornia Relatives.

[SPECIAL DESPATCH TO THE HERALD.]

CHICAGO, Ill., Saturday.—Three million dol-  
lars' worth of property has already been un-  
earthed by Edwin A. Warfield, executor, as  
belonging to the estate of Colonel George  
T. Cline, an eccentric Chicagoan, who died  
July 7, and whose will has recently been ad-  
mitted to probate. Until the examination of  
Colonel Cline's thousands of letters and pa-  
pers is complete it will not be known how  
much more the estate is worth, but it is  
said that it may approximate \$5,000,000.

Colonel Cline, who was eighty years old  
and had lived sixty-three years in this city,  
was a very secretive man. Mr. Warfield  
has already found that he held property in  
Illinois, Indiana, Missouri, Wisconsin, Ne-  
braska, Ohio, New York, Virginia and Mary-  
land. It is principally in large tracts, with  
much farming acreage. An extensive piece  
of property belonging to the estate is at  
Clark Junction, Ind., near Edgemoor. This  
consists of 2,500 acres and is worth \$2,000,000.

Colonel Cline left his entire estate to re-  
latives in California and Maryland. Of the  
latter State he was a native. One-quarter of  
the estate goes to his sister, Mrs. Mary  
Yeakle, and one-quarter to his brother, Nich-  
olas O. Cline, both of Frederick, Md., and  
both more than seventy years of age. An-  
other quarter is left to a nephew, Isaac T.  
other quarter is left to two other nephews, John  
Cline and George T. Cline, of Los Angeles,  
Cal., collector of the Port and Deputy Col-  
lector respectively.

### Lived Alone in Hotel.

Despite Colonel Cline's wealth, he was  
known to few persons in Chicago. He lived  
entirely alone, rooming at cheap boarding  
houses and eating at still cheaper restau-  
rants. Lodging house life ceased, however,  
to have attractions for the Colonel in 1893,  
when he bought the Woodbine Hotel, at Engle-  
wood, a frame structure put up for the  
World's Fair and containing seventy-five  
rooms. Here he lived until his death, abso-  
lutely alone and inhabiting one room only.

The door was double padlocked and never  
left open. One man of much daring, how-  
ever, did obtain a view of the interior. This  
is what he saw:—Two plain chairs, a table,  
washstand and bed. Underneath the bed  
were ranged eight violins, side by side, each  
in a leather case and each covered by a  
white silk handkerchief.

Here the Colonel's passion was concentrat-  
ed. For ten years he passed most of his  
time in that room, rarely going out, except  
to infrequent meals, and playing the violin  
during his waking hours.

One of the eight instruments was an  
Amati, worth \$1,500. This was his favorite,  
and no other hand was ever permitted to  
touch it.

### EXTENSION OF GOULD LINES.

NEW ORLEANS, Saturday.—A. C. Bird, traf-  
fic director of the entire Gould system of  
railroads, says that before the end of this  
year the Gould system will have solid trains  
running direct into Chicago and Pittsburg  
from New Orleans and Galveston, and that  
soon thereafter its trains will be entering  
Baltimore.

This statement was made after Mr. Bird  
had completed his first official inspection of  
the whole system. Within the time specified  
the Gould interests will have a line in op-  
eration down the Mississippi River from St.  
Louis to New Orleans.

Mr. Bird held a conference with a Board of  
Trade committee looking to the establishing  
of a line of four steamers between here and  
New York to carry Gould traffic from the  
West.

## REPORT ON LOAN COMPANY JUSTIFIED

Judge Herrick Confirms Re-  
feree's Report in Case of New  
York Banking Institution.

### IS "WORSE THAN REPORTED"

Declares in Answer to Critics That  
Mr. Farren, the Referee, Was  
Never Professional Associate.

ALBANY, N. Y., Saturday.—Judge Herrick  
today confirmed the report of James J. Far-  
ren, referee in the case of the New York  
Building Loan-Banking Company. He char-  
acterized the condition of the company as  
"even worse than as reported by the re-  
feree."

Those who listened to the words of con-  
firmation waited in vain for some indication  
of the Judge's feelings regarding the action  
of Attorney General Cullen in arranging  
with the attorneys of the loan company for  
a change of venue to New York county, to  
the surprise of Judge Herrick and Mr. Kil-  
burn, State Superintendent of Banks. Only  
in a slight degree did the Court wander from  
the subject matter.

After summarizing the history of the case  
Judge Herrick said with reference to the  
published allegation that Mr. Farren was  
formerly a professional associate of his:

"The referee whom I appointed has never  
been professionally associated with me in  
any wise. I appointed him because of my  
knowledge of his peculiar fitness for the  
work."

Turning then to discuss the referee's re-  
port, Judge Herrick said that he had care-  
fully examined the report and with the aid  
of an expert accountant had gone over the  
schedules.

"I am satisfied," said he, "that not only  
was the referee justified in his findings, but  
the condition of the company is really worse  
than was indicated in the referee's report. I  
have therefore concluded to confirm the find-  
ings of the referee and order the publication  
of his report."

Mr. Farren's report was made July 18. It  
declared insolvent the concern under in-  
vestigation with excessive liabilities of \$317,000.  
It pointed out instances where, in the opin-  
ion of the referee, the funds of the com-  
pany had been mismanaged, and showed  
how the salaries of company officials had  
been astonishingly raised. Mr. Farren said  
that the affairs of the company had been so  
mismanaged and were in such bad condition  
that it should not be permitted to continue  
in business under existing conditions, con-  
cluding with the recommendation that a re-  
ceiver be appointed.

By far the most sensational feature of the  
case came when the report of the referee  
was handed in. It was noticed that no at-  
torneys for the company were present, and  
neither was Mr. Cullen there; but Judge  
Herrick read a letter from the Attorney  
General telling of the stipulation for a  
change of venue on the hearing for the ap-  
pointment of a receiver. The reasons given  
by Mr. Cullen were that the office of the  
company attacked was in New York; that  
the evidence was there, and that it would  
be manifestly unfair to compel the company  
to take witnesses, books and lawyers to Al-  
bany.

Then came hints that politics and person-  
alities had been injected into the case. It  
was said that the ill feeling existing be-  
tween David B. Hill and Judge Herrick had  
cropped up again, and that powerful in-  
fluence had been brought to bear to take  
from the Judge the power of appointing a  
receiver who would make in fees at least  
\$150,000 during his tenure of office. It was  
pointed out that attorneys for the New York  
company lived in Elmira, former Senator  
Hill's old home.

Judge Herrick's only reply to the intima-  
tion that he would appoint a personal friend  
was that he would decide on whether a re-  
feree was necessary before he would select a  
personal friend or anybody else. Mr. Cun-  
nen has made no comment on the case or  
his motives, and Superintendent Kilburn  
has refrained from criticizing the Attorney  
General, with whom he is expected to work  
in the future.

## OIL PRODUCTION NEVER SO GREAT

But Consumption Has  
Recently Increased at  
a Greater Rate Than  
Has the Supply.

NO DANGER THAT  
FIELD WILL FAIL

Expected Increase of Price  
Will Lead to Working  
Western Fields.

## REFINING METHODS CRUDE

Improvements Will Come, and  
Alaska Will Furnish New  
Source of Supply.

STATISTICS showing that for many  
months the consumption of petroleum  
has exceeded the production have  
awakened much apprehension in the  
financial and commercial world as  
to the possibility of an exhaustion of  
the oil fields in this country.

Many newspapers have seized upon such  
figures as the basis for articles of a pes-  
simistic nature, and the result has been the  
creation of considerable uneasiness in the  
public mind. This has been augmented by  
reports that oil development in Texas was  
not as satisfactory as had been expected.

Reports published in the Manual of Sta-  
tistics show an extensive decrease in the  
stock of crude petroleum in the greatest of  
all American fields, Pennsylvania, within the  
last two years and figures of equal authority  
indicate that for months the consumption of  
oil from Pennsylvania and West Virginia  
wells has been very largely in excess of  
production. The stock of crude Pennsylvania  
petroleum above ground in December, 1900,  
was 13,174,717 barrels, while in December,  
1902, the amount thus stored was only  
5,699,127 barrels.

### Country's Prosperity Involved.

As the petroleum industry is one of the  
greatest in the United States the question  
of a possible diminution or exhaustion of  
supply must have the most important bearing  
upon the future prosperity of the coun-  
try.

Most persons who may fairly be termed ex-  
perts on the oil situation are affiliated with  
the Standard Oil Company and therefore  
are not regarded by the public as wholly  
impartial. The Standard therefore sought an  
opinion on the petroleum industry and the  
visible and possible supply of crude oil, from  
a source so unbiased as to command for the  
opinions expressed the utmost credence. As  
chief of the Division of Mineral Resources  
of the United States Geological Survey,  
Dr. David T. Day ranks high as an author-  
ity on the subject, and no man should be  
better informed as to the possible extent of  
supply.

Dr. Day does not share in the pessimism  
which aided the circulation of rumors which  
have disturbed many persons. He shows that  
production is greater now than ever before,  
but that recently consumption has exceeded  
it. This forebodes an increase in price,  
which will permit the less advantageously  
situated fields to be worked and lower grade  
oils to be refined at a profit.

### Critiques Present Methods.

Singularly enough, Dr. Day criticizes the  
methods of refining used by the Standard  
Oil Company as "rules-of-thumb" methods  
which are a reproach to the scientific and  
inventive reputation of the United States."

Dr. Day believes that Texas oil fields not  
yet developed will yield well, and that sup-  
plies in Kansas, Indiana, Oklahoma, and  
Colorado will help to equalize shortage  
in the Eastern regions, while he points to  
the possibility of Alaska producing a quan-  
tity equal to that of Pennsylvania. He also  
remarks that the discovery of new pools in  
the southwestern part of the latter State,  
West Virginia, and Ohio has more than  
offset the decline from abandoned pools.

## STABILITY FEATURE OF OIL DEVELOPMENT

Gradual Exhaustion of Supply in  
One Field Offset by Discov-  
eries in Other Places.

By Dr. David T. Day,  
Chief of Division of Mineral Resources,  
United States Geological Survey.

In considering the condition of the petro-  
leum industry of the United States it is  
necessary to fix the point of view by a few  
plain facts as to its present condition.

During the calendar year 1902 the United  
States produced 30,894,000 barrels of petro-  
leum, worth, delivered into the pipe lines,  
\$9,810,285. This is the greatest product we  
have ever produced, and it is probably  
slightly greater than Russia's product dur-  
ing the same period and enormously greater  
than the entire product of the rest of the  
world.

By far the greater part of this petroleum  
came from a well known source of sup-  
ply, which yield the best varieties of petro-  
leum known in the world, and which, by the  
methods of refining in vogue for many years,  
is made into illuminating oil, good, bad and  
indifferent, the extent of the seventy-five  
per cent of the crude. No other petroleum in  
the world yields nearly as much illuminating  
oil as American petroleum.

The methods by which this crude yield is  
accomplished are old fashioned and com-  
plex, but efficient for the purposes. Some  
oils refined by European methods would  
yield half as much illuminating oil as they  
do, but it would be a far better quality than  
part of our product and not so good as our  
best.

### Production of Petroleum.

Producing and refining petroleum consti-  
tutes the most interesting mineral industry  
in the United States at the present time. It  
is more interesting than the coal supply.  
Coal is merely a source of heat, whereas  
petroleum contributes to many industries.  
For some of these industries it is absolutely  
essential that petroleum should be produced  
in large quantities and at a low price. Petro-  
leum production has been more sensa-  
tional than usual during the last few years,  
although its history has been filled with sen-  
sations since its discovery in considerable  
quantity in 1859.

Again, there is no industry in the country  
so beset with misconceptions as to its con-  
dition as the petroleum trade. Most of these  
arise from the ever present menace of a  
quick failure of the supply. Such failures  
have been prophesied for nearly half a  
century, and yet the product is greater than  
ever in this country, and, besides, it has  
been exceeded in some years by the enor-  
mous product of Russia.

In industries like coal mining, and, in fact,  
in every mining industry except petroleum,  
we can see and measure the mineral in the  
ground, whereas we can gauge the petro-  
leum supply only by the tiny streams la-  
boriously pumped from some mysterious  
source a thousand or more feet below the  
surface.

(CONTINUED ON PAGE FOUR.)